

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 L-03 CIAE-00
INR-07 NSAE-00 IGA-02 EB-08 OMB-01 TRSE-00 /060 W
-----101322Z 101922 /53

R 100813Z MAR 77
FM AMEMBASSY OSLO
TO SECSTATE WASHDC 3348
SECDEF WASHDC
INFO ASD WRIGHT PATTERSON AFB OH
USCINCEUR VAIHINGEN GE
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY BRUSSELS

UNCLAS OSLO 1148

ODC SENDS

SECDEF FOR DSSAA/GS/1566

E.O. 11652: N/A
TAGS: MASS, NO
SUBJ: DELAY OF F-16 PURCHASE PROPOSAL

REF: A. OSLO 1041

IN FURTHER AMPLIFICATION OF REF, THE FOLLOWING TRANSLATED
ARTICLE FROM THE NORWEGIAN NEWSPAPER "AFTENPOSTEN" (MAR 8)
HEADLINED "F-16 CONTRACTS FOR 60 MILLION KRONER" IS PROVIDED
FYI.

BEGIN TEXT: THE STARTING PROPOSITION ON PURCHASE OF THE F-16
FIGHTER WILL BE POSTPONED UNTIL THE END OF THE MONTH. "WE
DEPEND ON A REPLY FROM THE U.S. CONCERNING OUR REQUESTS FOR
A CHANGE OF THE PAYMENTS SCHEDULE," SAYS UNDERSECRETARY OF
DEFENSE JOHAN HOLST. "THE AMERICANS HAVE BEEN EXTREMELY
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ACCOMMODATING WITH REGARD TO THE NORWEGIAN REQUESTS,
WHICH WE HOPE WILL BE MET."

IT NOW SEEMS CLEAR THAT NORDISK ALUMINIUM WILL GET
A 30 TO 40 MIL KRONER CONTRACT FOR DELIVERY OF ALUMINUM
FOR THE 348 PLANES TO BE BUILT IN EUROPE TO START WITH. IN
ADDITION, NERA A/S IN BERGEN SOON WILL SIGN A CONTRACT

FOR DELIVERY FOR RADAR WARNERS WORTH ABOUT 30 MIL KRONER...THE DANISH COMMERCE MINISTRY HAS TOLD AFTENPOSTEN THAT DENMARK DEFINITELY WILL BUY THE F-16 PLANES.

"IT IS INCONCEIVABLE THAT DENMARK WILL PUT OUT OF THE F-16 PURCHASE"" SAYS OLE TARP, AN ASSISTANT IN THE MINISTRY OF COMMERCE IN COPENHAGEN." "THE NEGOTIATIONS HAVE BEEN COMPLICATED AND MORE TIME CONSUMING THAN WE HAD EXPECTED." THEREFORE, THE DANES WILL NOT SIGN THE OFFICIAL CONTRACT ON PURCHASE OF THE F-16 PLANES ON APRIL 1 AS PLANNED. BUT THIS WILL HAVE NO PRACTICAL CONSEQUENCES.

NORWAY WILL ALSO NOT SIGN THE CONTRACT ON THAT DATE. THE DANISH DEFENSE MINISTER HAS REQUESTED ANOTHER MEETING WITH HIS THREE EUROPEAN COLEAGUES BY THE END OF MARCH TO DISCUSS THE REMAINING PROBLEMS. MR. TARP REJECTS SPECULATIONS IN THE DANISH PRESS THAT DENMARK IS TRYING TO SELL MOTOR TORPEDO BOATS TO THE U.S. IN EXCHANGE FOR THE FIGHTER PLANES.

THE FOURTH F-16 FIGHTER BUILT TO DATE HAVE FLOWN A TOTAL OF 1000 HOURS. AT THE SAME TIME NEGOTIATIONS HAVE PROCEEDED ON DISTRIBUTION OF OFFSET CONTRACTS FOR THE FOUR EUROPEAN COUNTRIES. INFORMED SOURCES SAY THAT BELGIUM SO FAR HAS MADE THE BEST PROGRESS, WHILE DENMARK IS TRAILING BEHIND THE OTHER THREE. OFFSET NEGOTIATIONS WITH NORWAY ARE EXPECTED TO BE COMPLETED UNCLASSIFIED

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IN SEPTEMBER/OCTOBER.

DENMARK HAS SO FAR OBTAINED OFFSET CONTRACTS WORTH 1.1 BIL . DANISK KRONER, WHILE THE DANISH TARGET IS 1.4 BILL. D. KRONER. THERE HAVE BEEN SOME PROBLEMS ALONG THE WAY. AMONT OTHER THINGS, DANISH INDUSTRY HAS FOUND IT DIFFICULT TO ADJUST TO THE ADVANCED AND LARGE NEGOTIATING PLANS OF THE AMERICAN COMPANIES. THIS HAS LED TO THE WITHDRAWAY OF AT LEAST ONE DANISH COMPANY FROM THE F-16 PROGRAM.

NORDISK ALUMINIUM IS NOW IN THE FINAL PHASR OF NEGOTIATIONS FOR DELIVERY OF DROP TANKS FOR THE F-16. THE SIZE OF THE CONTRACTS IS STILL NOT CERTAIN, SIMPLY BECAUSE THE NUMBER OF SUCH TANKS HAS NOT BEENDETERMINED, SAYS THE COMPANY'S DIRECTOR ALF IANKE. THE COMPANY ALSO WILL DELIVER ALUMIUM FOR INSIDE BULKHEADS AND REINFOREMCENTS.

"WE HAVE ENTERED THE NEGOTIATIONS FOR DELIVERY OF ALUMINIUM IN ORDER TO OBTAIN TECHNOLOGY," SAYS THE DIRECTOR. WE WILL BE DELIVERING A SPECIAL KIND OF ALLOY. THE PLATES WILL BE ROLLED AT ALCAN MILLS IN ENGLAND. IT IS NOT INCONCEIVABLE THAT NORDISK ALUMINIUM MAY GET CONTRACTS FOR ALUMINIUM FOR MORE PLANS THAN THE 348 FIRST ONES.

BUT BOTH NORWAY AND DENMARK STILL HAVE SOME DISTANCE TO GO BEFORE ACHIEVING A 50 PERCENT OFFSET IN CONTRACTS FOR THE FIRST 1000 PLANES. THEREFORE, THE PRODUCTION OF GROUND EQUIPMENT, PART OF WHICH IS REQUIRED FOR THE TESTING OF THE PLANES IS DESCRIBED AS A SCANDINAVIAN PROJECT. THE COPRODUCTION OF THIS EQUIPMENT IN EUROPE WILL PROBABLY FOR THE MOST PART BE HANDLED BY NORWAY AND DENMARK. BIDDING IS NOW BEING DONE IN THE U.S. ON TEST EQUIPMENT AND SIMULATORS, WHICH MEANS IT WILL STILL BE UNCLASSIFIED

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SOME TIME BEFORE NORWEGIAN COMPANIES ARE INVOLVED IN OFFSET DELIVERIES. END TEXT.
ANDERS

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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